# *Information Technology and Telecommunications Outsourcing*



## Northrop Grumman Team

## January 26, 2006

# *Recompete Contract Requirement*

- Current contract expires *December 31, 2006*

- The new and old contract will require a 12 month overlap in 2006 to allow *seamless transition* of services

- The plan is for a *five-phase transition* of services

*Sustain the gains achieved to date – Continuous improvement going forward*

# *Northrop Grumman Team*

- ## Northrop Grumman – Prime

  - Experienced prime contractor with focus on state and local government (e.g., Commonwealth of Virginia, City of Indianapolis/Marion County)

  - Lead Account, Desktop, Security Management, Applications Support (Public Safety)

- ## Material Subcontractors

  - **EDS** – Data Centers, Help Desk, Applications Support (HHSA)

  - **BearingPoint** – Applications Support (FG3/CSG/LUEG)

  - **SBC** – Network

# *Phased Transition*

- Phase 1 – Help Desk     April 2006

- Phase 2 – Applications     July 2006

- Phase 3 – Desktop     August 2006

- Phase 4 – Network     September 2006

- Phase 5 – Data Center     October 2006

# *Critical Terms and Conditions*

- **Termination for Convenience**

  – The County has the right to terminate the agreement for any reason with appropriate notice to NGIT.

- **Termination for Default**

  – The County also has the right to terminate the Agreement without any liability for termination charges, for NGIT's failure to perform under the Agreement.

- **No Termination or Suspension of Services**

  – NGIT is contractually forbidden from interrupting, suspending or terminating the provisions of services to the County for any reason.
  – If NGIT violates this Agreement provision, its liability for damages to the County arising from such interruption, suspension or termination is not limited.

# *Critical Terms and Conditions*

- ## **Disentanglement Provisions**

  - At the termination of the Agreement, NGIT must provide "disentanglement services." These services include making available the resources to transition the services to a new provider, or to take the services back within the County.

- ## **Limits of liability**

  - NGIT's limit of liability in the event of certain defaults is $100 million.
  - NGIT's liability for damages of the County (i) incurred to obtain replacement services as a result of a failure of NGIT to perform, or (ii) related to cost and expense of restoring any altered, lost or stolen County data, is $130 million.
  - NGIT's liability is not limited for other specified types of defaults, including, among other things, (a) NGIT's breach of its transition obligations, (b) NGIT's suspension or termination of performance of the services, and (c) NGIT's breach of its disaster recovery obligations.

# *New Contract Improvements*

- Provides 'all-inclusive' pricing
  - All IT Services are within the resource unit prices
  - Eliminates the concept of "Other Services" which were priced as the need was 'discovered"

- Provides for future Network growth
  - Provide Network Bandwidth as necessary and at no additional cost for the term of the agreement
  - Increases network bandwidth as new business applications come into the County portfolio

- Dramatic Improvement in Disaster Recovery Capability
  - Adds two hardened Tier 4 Data Centers

# *New Contract Improvements*

- Flat pricing for entire 7 years
  - Escalation included in single price points

- Eliminated prepayment for services
  - Volume bands established (eliminating true up uncertainty)
  - Decomposed pricing for services to allow benchmarking and flexibility

- Establishes a single priced 5 year option to extend
  - Flat pricing for the entire option

# *Other Contract Changes*

- **Shared Storage (SAN/NAS) now have a resource price**
  - Based on the amount of storage consumed (per gigabyte)

- **New sites (Type 1-6) have a resource price for installation**
  - Equipment is paid for through data and voice jacks

- **Catalog purchase handling charge changed from 15% to 10%**
  - Eliminated the peripheral pool $ and training pool $

- **Established a MASL and Milestone pool $**
  - 10% of Monthly Invoice for MASLs
  - 10% of Monthly Invoice for Milestones (withhold)

# *Other Contract Changes*

- Removed cellular phones, pagers and blackberry services
  - Only effects FG3 for cellular phones

- Provides only voice services and shared application support to the Superior Court
  - Disentanglement commenced for all other services

- Decomposed many resource prices
  - Allows for better benchmarking and added flexibility

- Established 9 labor categories for Applications Support
  - Each labor category has a discreet hourly rate
  - Each labor category has discreet minimum qualifications

# *Resource Unit Pricing*

- Desktop $92.35/mo

- Data Jack $85.26/mo

- Voice Jack (Single-Line) $43.81/mo

- Voice Jack (Multi-Line) $45.47/mo

- E-mail $10.92/mo

- Voice Mail $ 3.52/mo

# *Resource Unit Pricing*

- **Application Rates**

  | | |
  |---|---|
  | – Program Manager | $176.00/hr |
  | – Apps Architect | $156.00/hr |
  | – Project Manager | $141.00/hr |
  | – Data Base Admin | $133.00/hr |
  | – Apps Developer (Adv Tech) | $114.00/hr |
  | – Systems Analyst | $110.00/hr |
  | – Web Designer | $108.00/hr |
  | – Senior Apps Developer | $104.00/hr |
  | – Apps Developer | $  85.00/hr |

# *Resource Unit Pricing*

- **Wintel Servers**

  - Small                 $1288.94/mo
  - Medium           $1609.98/mo
  - Large                $2251.23/mo
  - DASD            $ 4.54/gigabyte

- **UNIX Servers**

  - Small                 $2154.96/mo
  - Medium           $3295.86/mo
  - Large                $5286.76/mo
  - DASD            $ 5.20/gigabyte

# *Resource Unit Pricing*

- **VMS Servers**

  - Small          $1984.49/mo
  - Medium       $3334.95/mo
  - Large          $4316.63/mo
  - DASD          $ 4.53/gigabyte

- **DEC VAX**

  - One Size     $2784.17/mo
  - DASD          $ .264/gigabyte

# *Resource Unit Pricing*

- AS-400
  - One Size             $4400.22/mo
  - DASD                 $ .737/gigabyte

- Mainframe            $140.48/cpu hr
  - DASD                 $ 7.12/gigabyte

- Allocated Services
  - Help Desk             $208,999.82/mo
  - Cross Functional      $615,264.00/mo